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July 11, 2003

OF COUNSEL WILLIAM G. CONLY

> Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

> > Re: APPLICATION FOR PUBLIC HEARING.

Hosston A & B Zones, SIBLEY FIELD, Webster Parish, Louisiana.

Dear Sir:

KELLEY OPERATING COMPANY, LTD. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston A Zone and to the Hosston B Zone in the Sibley Field, Webster Parish, Louisiana:

- 1. To authorize Applicant to drill, designate and utilize two (2) additional alternate unit wells for HOSS A SUK and for HOSS B SUK at the locations shown on the attached plats.
- 2. To approve exceptions to the well location provisions of Office of Conservation Order No. 148-J, effective February 1, 1972, for either of the proposed wells the location of which, as shown on the attached plats, does not comply with the well location provisions of said Order.
- 3. To find that each of the proposed additional alternate unit wells is necessary to efficiently and economically drain a portion of the Hosston A and B Zones underlying HOSS A & B SUK which cannot be efficiently and economically drained by any existing well on such units.
- 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston A and B Zones in Sibley Field, Webster Parish, Louisiana, were defined in Office of Conservation Order No. 148-J, effective February 1, 1972.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not

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otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the two (2) attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

David L. Smelley

Attorney for Kelley Operating Company, Ltd.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Dennis Ritter (w/encls.)

Mr. Joe Adams (w/encls.)

Interested Owners, Represented

Parties and Interested Parties (w/plats only)



